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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FCC 93-446

In the Matter of
Implementation of
Sections of the Cable Television
Consumer Protection and
Competition Act of 1992

Rate Regulation

MM Docket No. 92-266

ORDER

Adopted: September 17, 1993

Released: September 17, 1993

By the Commission:

1. The Cable Television Consumer Protection and Competition Act of 1992 ("Cable Act of 1992") requires the Commission to ensure that rates for basic cable service and associated equipment are reasonable, and that, in individual instances, rates for cable programming services and associated equipment are not unreasonable.¹ We have established a comprehensive regulatory framework governing cable rates designed to achieve the statutory mandate that cable rates remain reasonable.² Concurrently, we temporarily froze revenues for regulated cable services measured by rates in effect on April 5, 1993 in order to ensure that rates remain reasonable pending implementation of rate regulation by local franchising authorities and the Commission.³ In order to facilitate compliance with rate regulation, we additionally established transition mechanisms to permit cable operators to restructure rates and service offerings prior to implementation of rate regulation.⁴ For those cable systems serving more than 1,000 subscribers, our regulations governing cable rates became effective on September 1, 1993.⁵

2. By this order, we are instituting a survey of cable rate changes and service

¹ Communications Act, Section 623, 47 U.S.C. Section 543.

² Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Report and Order and Further Notice of Proposed Rulemaking, MM Docket 92-266, FCC 93-177 (released May 3, 1993), 58 F.R. 29736 (May 21, 1993), reconsideration in part, FCC 93-428 (released August 27, 1993), further reconsideration pending.

³ Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Rate Regulation, Order, FCC 93-176, 8 FCC Rcd 2921 (1993), clarified in 8 FCC Rcd 2917 (1993), extended to November 15, 1993, in Order, 93-304 (released June 15, 1993), 58 F.R. 33560 (June 18, 1993).

⁴ Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Order, FCC 93-372 (released July 27, 1993), 58 F.R. 41042 (August 2, 1993).

⁵ Id.; Memorandum Opinion and Order and Notice of Proposed Rulemaking, FCC 93-989 (released August 10, 1993), 58 F.R. 43816 (August 18, 1993).

restructuring as of the starting date of our rate freeze and at the initiation of rate regulation. This survey directs the twenty-five largest multiple system operators ("MSOs") to complete a questionnaire with respect to their ten largest cable systems that the operator anticipates being governed by benchmark regulation.⁶ The questionnaire requests information on rates for regulated cable services, the average per subscriber regulated revenues for the last billing cycle ending before April 5, 1993, and projected average per subscriber regulated revenues based on rates in effect September 1, 1993. The surveyed operators must also provide their rate cards and channel line-ups in effect on April 5, 1993 and September 1, 1993. As a separate attachment, operators are required to identify any systems that the operator anticipates being governed by cost-of-service regulation that exceed in size the smallest of the reported benchmark regulated systems.⁷ This survey will permit a review of rate changes and service restructuring of cable operators providing service to approximately seventy-five percent of cable subscribers⁸ in light of the requirements of the freeze and the requirements of our September 1, 1993 rate regulations.⁹

3. We do not believe that the filing of this survey and associated information will be burdensome for the respondents. Additionally, we do not anticipate that the data requested will be competitively sensitive. However, systems seeking proprietary treatment for some data should submit their response pursuant to Section 0.459 of the Commission's rules.¹⁰

4. Respondents are required to provide the information requested in this survey in responses postmarked no later than October 1, 1993.¹¹ Respondents are required to file this form and data requested either on computer disk in Lotus 1-2-3, version 3.1 or in typewritten

⁶ The cable operators subject to this survey are: Tele-Communications, Inc.; Time Warner Cable; Continental Cablevision, Inc.; Comcast Corporation; Cablevision Systems Corporation; Cox Cable Communications; Jones Intercable, Inc.; Newhouse Broadcasting Corporation; Cablevision Industries, Inc.; Adelphia Communications; Times Mirror Cable Television; Falcon Cable TV; Viacom Cable; Sammons Communications, Inc.; Century Communications Corp.; Crown Media, Inc.; Colony Communications, Inc.; TeleCable Corporation; Scripps Howard Cable; TKR Cable; KBLCOM, Inc. (Houston Industries); Lenfest Group; Intermedia Partners; Prime Cable; and Post-Newsweek Cable, Inc. NCTA, Cable Television Developments, at 14-A (June 1993).

⁷ For example, if the operator's tenth largest surveyed system that will be governed by the benchmark is the operator's twenty-third largest system overall without regard to the manner of rate regulation of the system, the operator would identify in a separate attachment all thirteen intermediate sized systems that the operator anticipates being subject to cost-of-service regulation. Operators shall additionally identify by community unit identification number any individual franchise areas within such systems for which the operator plans to make a cost-of-service showing. We reserve the right to seek additional data.

⁸ See NCTA, Cable Television Developments, at 1-A and 14-A (June 1993).

⁹ Section 623 of the Communications Act of 1934, as amended, 47 U.S.C. section 543, requires the Commission to prescribe, and periodically revise, regulations governing rates for regulated cable services. Under Section 4(i) of the Communications Act, the Commission is permitted to perform any and all acts, including issuing orders, not inconsistent with the Act and that are necessary in the execution of its functions. Communications Act, Section 4(i), 47 U.S.C. Section 154(i). This survey will allow the Commission to examine the effect of its regulations on regulated cable service rates on April 5, 1993, the date of the Commission's rate freeze, and on September 1, 1993, the effective date of the Commission's cable rate regulations.

¹⁰ 47 C.F.R. Section 0.459.


¹¹ The Office of Management and Budget, acting under the Paperwork Reduction Act of 1980, 44 U.S.C. 3507, approved the appended survey form on September 16, 1993. The OMB approval number is 3060-0578, and the form expires on December 16, 1993.

form.¹² The survey form is to be used only once. Respondents shall file the survey data with the Mass Media Bureau, Cable Rate Regulation Impact Survey, Room 314, 1919 M Street, N.W., Washington, D.C. 20554.

5. Accordingly, IT IS ORDERED, pursuant to Sections 4(i) and 623 of the Communications Act of 1934, as amended, 47 U.S.C. Section 154(i) and 543, that cable operators subject to this data collection, as indicated in footnote 6, shall complete and return this survey set forth in the attached Appendix in responses postmarked no later than October 1, 1993.

6. IT IS FURTHER ORDERED, That this Order IS EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION


William F. Caton
Acting Secretary

¹² The Commission is mailing to the respondent cable systems on the release date of this Order, a formatted 3 1/2 diskette containing an appropriate worksheet in Lotus 1-2-3, version 3.1.

FCC Rate Regulation Impact Survey

This survey is intended to collect data on the impact of FCC rate regulations on cable services and equipment offerings. Operators must complete the following questionnaire for each of the ten largest systems that the operator anticipates being governed by FCC benchmark regulation. The operator should identify, in a separate attachment, any systems that the operator anticipates being governed by cost of service regulation that exceed in subscriber count the smallest of the reported benchmark regulated systems. The questionnaire requests information on rates for regulated cable services, the average per subscriber regulated revenues for the last billing cycle ending before April 5, 1993, and projected average per subscriber regulated revenues based on rates in effect September 1, 1993.

If the effective date of the most recent rate change subsequent to April 5, 1993 was not September 1, 1993, the operator should complete the questions in this survey based on the actual effective date of the rate change. If there has been no change in rates during the rate freeze (April 5, 1993 through November 15, 1993) the operator should supply all data for rates currently in effect in the columns for April 5, 1993.

Responding Official: This survey should be completed by a company official familiar with the development of the rates currently in effect. The data required include subscriber revenues, rates for cable service and equipment and number of subscribers.

Instructions: (A) Complete the attached questionnaire. Both paper and disk forms are being provided. We would prefer the operator use the disk form. The disk file is in the format of Lotus 1-2-3, version 3.1. Please change the name of the file to the first eight letters of the operator's holding company name and enter the data for each of the ten franchises in one file. The holding company name and the name and phone number of the responding official should be written on the label of the disk. (B) Attach rate cards and channel line-ups for April 5 and September 1, 1993.

When and Where to File: The questionnaire and attachments should be returned postmarked no later than October 1, 1993. The return address is: FCC Rate Regulation Impact Survey, Mass Media Bureau, Room 314, 1919 M Street NW, Washington, D.C. 20554.

Help: Call John Hays (202) 634-1798 between the hours 9:30 AM and 5:00 PM EST.

Confidentiality: All data submitted in response to this survey will be considered a part of the public record and will be provided upon request to interested parties. Requests for confidentiality will be considered on a case by case basis.

Line Instructions:

Lines 01 - 08: Enter the specified identification information for each of the ten largest systems that you own and operate and that you anticipate being regulated under the FCC benchmark regulations. For identification purposes, please enter the community unit ID of the largest franchise in each system on line 01. If rates charged by the operator are uniform for all franchises in a system, provide information on the remaining lines of this questionnaire at the system level and enter "system" on line 08. If rates are not uniform for all franchises, provide data for the largest franchise in each system and enter "franchise" on line 08.

Lines 09 - 12:

Description of Service: Enter a brief description to identify each tier of service offered on April 5, 1993 and on September 1, 1993. To the extent not shown on the form,

attach a separate paragraph explaining any additions or deletions of tiers. List only the tiers that are subject to regulation by either local franchise authorities or, on complaint, by the FCC.

Charges: The charges should be the rates generally available to residential households.

Channels: Enter the number of channels

Households: Enter the number of subscribers taking service at the generally available rates. Include subscribers receiving bulk discounts or senior citizen discounts.

Line 13: Enter the monthly charges, number of equipment units, and the number of households with equipment. If an addressable converter is not required to receive the highest level of regulated service, enter zeros in the boxes referring to addressable converters. If a converter is not needed to allow a cable-ready television to receive all regulated service, enter zeros in the boxes referring to non-addressable converters.

Line 14: Enter the charges for installing service for one outlet in a single family residence.

Line 15: Enter the charge for a change in service level (for regulated services only). If no visit is required, enter a zero in the appropriate box.

Line 16: Enter the monthly charge for inside wire maintenance. Enter a zero if there is no charge.

Line 17: Enter the monthly charge for a remote control.

Line 18: Enter the monthly charge for a second outlet that is to only receive regulated services.

Lines 19 -20: Enter a brief description and the monthly charge for any recurring maintenance charge that is generally required to received regulated services.

Lines 21 - 23: Enter a brief description and the monthly charge for any other recurring charge that is required to receive a regulated service.

Line 24: If franchise fees are not included in the charges listed above, enter the franchise fee for the highest level of regulated service. If the franchise fee is included in the above charges, enter a zero in the appropriate boxes.

Line 25: Enter the sum of billed monthly charges for all regulated services. (Round to the nearest thousand dollars). For April 5, enter actual billed revenue for the last billing cycle ending before April 5, 1993. For September 1, enter projected revenue based on rates in effect on September 1, 1993.

Line 26: Enter the total number of customers that received any regulated services. (Enter in whole numbers).

Line 27: Enter the percentages of customers that would experience a reduction or increase in their bill for regulated service based on the rates in effect on September 1, 1993.

FCC RATE REGULATION IMPACT SURVEY

01. Community Unit ID#:		05. Respondent Name:	
02. Mailing Address (street):		06. Respondent Fax:	
03. Mailing Address (city):		07. Respondent Phone:	
04. Mailing Address (state & zip):		08. System/Franchise:	

REGULATED SERVICES	CHARGE		CHANNELS		HOUSEHOLDS	
Describe Service Tier	4/5/93	9/1/93	4/5/93	9/1/93	4/5/93	9/1/93
09. TIER 1 (Basic)						
10. TIER 2						
11. TIER 3						
12. TIER 4						

REGULATED EQUIPMENT	CHARGE		EQUIPMENT UNITS		HOUSEHOLDS	
	4/5/93	9/1/93	4/5/93	9/1/93	4/5/93	9/1/93
13. Converter Non-addressable:						
Addressable:						
14. Installation Prewired:						
Unwired:						
15. Service Change Visit required:						
No visit:						
16. Inside Wire:						
17. Remote:						
18. Additional Outlet:						
All Miscellaneous Maintenance (describe):						
19.						
20.						
All Miscellaneous charges (specify):						
21.						
22.						
23.						
24. Franchise Fee:						
25. Total billed monthly charges for reg. services:						
26. Total subscribers receiving any reg. services:						
27. % of subs. receiving a change in bill for reg. svcs:	Increase%		Decrease%			